Third Quarter Fiscal 2009 Update

July 29, 2009

Laurence M. Downes, Chairman and CEO

Conserve to Preserve®

Regarding Forward-Looking Statements

Certain statements contained in this presentation are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can also be identified by the use of forward-looking terminology such as “may,” “intend,” “expect,” or “continue” or comparable terminology and are made based upon management’s expectations and beliefs concerning future developments and their potential effect upon New Jersey Resources (NJR or the Company). There can be no assurance that future developments will be in accordance with management’s expectations or that the effect of future developments on the Company will be those anticipated by management.

The Company cautions persons reading or hearing this presentation that the assumptions that form the basis for forward-looking statements regarding customer growth, customer usage, financial condition, results of operations, cash flows, capital requirements, market risk and other matters for fiscal 2009 and thereafter include many factors that are beyond the Company’s ability to control or estimate precisely, such as estimates of future market conditions, the behavior of other market participants and changes in the debt and equity capital markets. **The factors that could cause actual results to differ materially from NJR’s expectations include, but are not limited to, such things as weather, economic conditions and demographic changes in the New Jersey Natural Gas (NJNG) service territory, rate of NJNG customer growth, volatility of natural gas commodity prices and its impact on customer usage, NJR Energy Services’ (NJRES) operations and the Company’s risk management efforts, changes in rating agency requirements and/or credit ratings and their effect on availability and cost of capital to the Company, continued volatility or seizure of the credit markets that would result in the decreased availability and access to credit at the Company and its subsidiaries, increases in borrowing costs associated with variable rate debt, commercial and wholesale credit risks, including the creditworthiness of customers and counterparties, changes in the costs of providing pension and post-employment benefits to current and former employees, the ability to obtain governmental approvals and/or financing for the construction, development and operation of certain non-regulated energy markets, risks associated with the management of the Company’s joint venture and partnerships, the impact of governmental regulation (including the regulation of rates), fluctuations in energy-related commodity prices, conversion activity and other marketing efforts, actual energy usage of NJNG’s customers, the pace of deregulation of retail gas markets, access to adequate supplies of natural gas, the regulatory and pricing policies of federal and state regulatory agencies, the ultimate outcome of pending regulatory proceeding, changes due to legislation at the federal and state level, the availability of an adequate number of appropriate counterparties in the wholesale energy trading market, sufficient liquidity in the wholesale energy trading market, the disallowance of recovery of environmental-related expenditures and other regulatory changes, environmental-related and other litigation and other uncertainties, the effects and impacts of inflation on NJR and its subsidiaries operations, change in accounting pronouncements issued by the appropriate standard setting bodies, terrorist attacks or threatened attacks on energy facilities or unrelated energy companies and other uncertainties.** While the Company periodically reassesses material trends and uncertainties affecting the Company’s results of operations and financial condition in connection with its preparation of management’s discussion and analysis of results of operations and financial condition contained in its Quarterly and Annual Reports filed with the Securities and Exchange Commission, the Company does not, by including this statement, assume any obligation to review or revise any particular forward-looking statement referenced herein in light of future events.

Disclaimer Regarding Non-GAAP Financial Measures

This presentation includes the non-GAAP measures net financial earnings (losses) and financial margin. As an indicator of the company's operating performance, these measures should not be considered an alternative to, or more meaningful than, GAAP measures such as cash flow, net income, operating income or earnings per share. Net financial earnings (losses) and financial margin exclude unrealized gains or losses on derivative instruments related to the company's unregulated subsidiaries and certain realized gains and losses on derivative instruments related to natural gas that has been placed into storage at NJRES. Volatility associated with the change in value of these financial and physical commodity contracts is reported in the income statement in the current period. In order to manage its business, NJR views its results without the impacts of the unrealized gains and losses, and certain realized gains and losses, caused by changes in value of these financial instruments and physical commodity contracts prior to the completion of the planned transaction because it shows changes in value currently as opposed to when the planned transaction ultimately is settled.

Management uses Financial Margin and Net Financial Earnings as supplemental measures to other GAAP results to provide a more complete understanding of the company's performance. Management believes these non-GAAP measures are more reflective of the company's business model, provide transparency to investors and enable period-to-period comparability of financial performance. For a full discussion of our non-GAAP financial measures, please see Item 7 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2008.

Fiscal 2009 Highlights

- Net financial earnings (NFE) guidance range of $2.35 to $2.45 per basic share
- Implemented a 10.7 percent dividend increase
- 35 percent increase in fiscal year-to-date earnings at NJNG
  - New base rates
  - Incentives
- Two important regulatory achievements
  - Accelerated Infrastructure Program (AIP)
  - Energy Efficiency Program (EE)
- Forecasting 6,100 new customers in fiscal 2009
- NJRES in-line with previous forecast

Conserve to Preserve®

Third Quarter Results

($ millions)

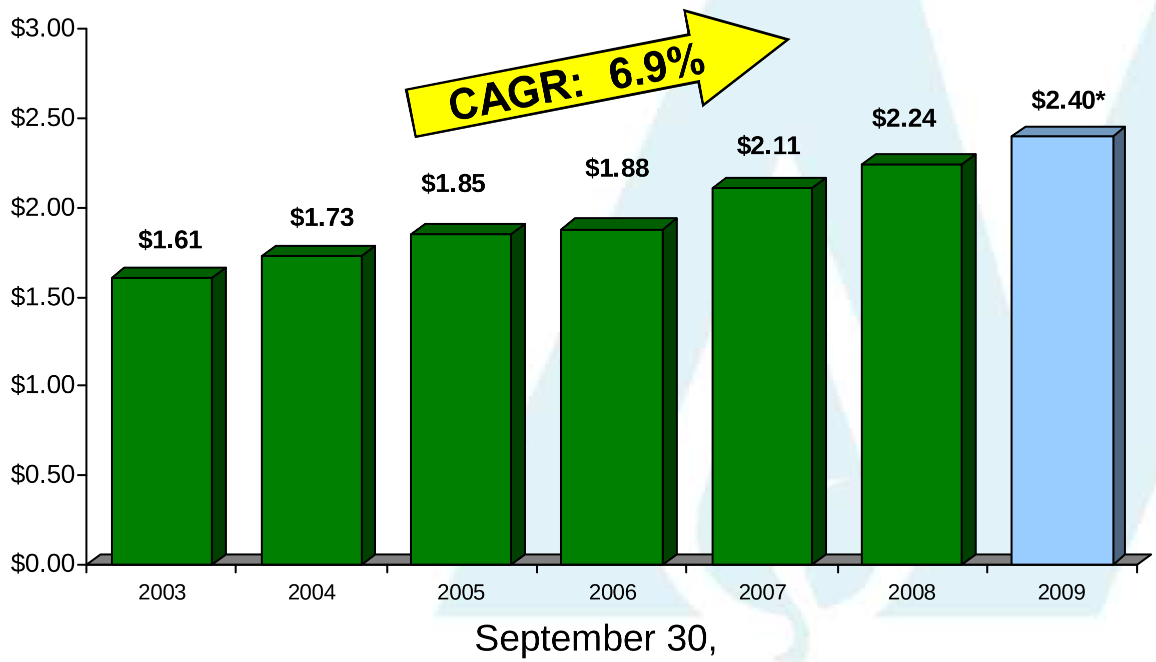
Company	June 2009	June 2008	Change
New Jersey Natural Gas	$4.1	$0.1	$4.0
NJR Energy Services	(4.5)	(5.6)	1.1
Retail/Other	1.6	1.4	0.2
Total	$1.2	$(4.1)	$5.3
Per basic share	$0.03	$(0.10)	$0.13

Rate case impact and incentives made NJNG the primary driver of net financial earnings

Conserve to Preserve®

Based on Net Financial Earnings

Consistent Financial Performance

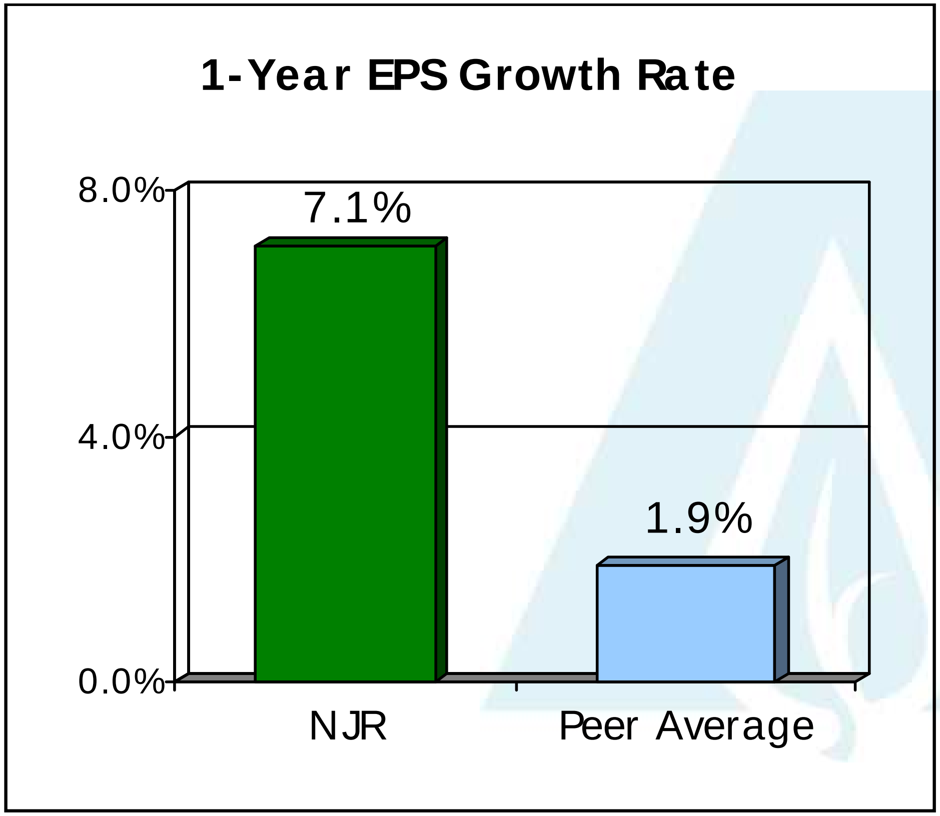


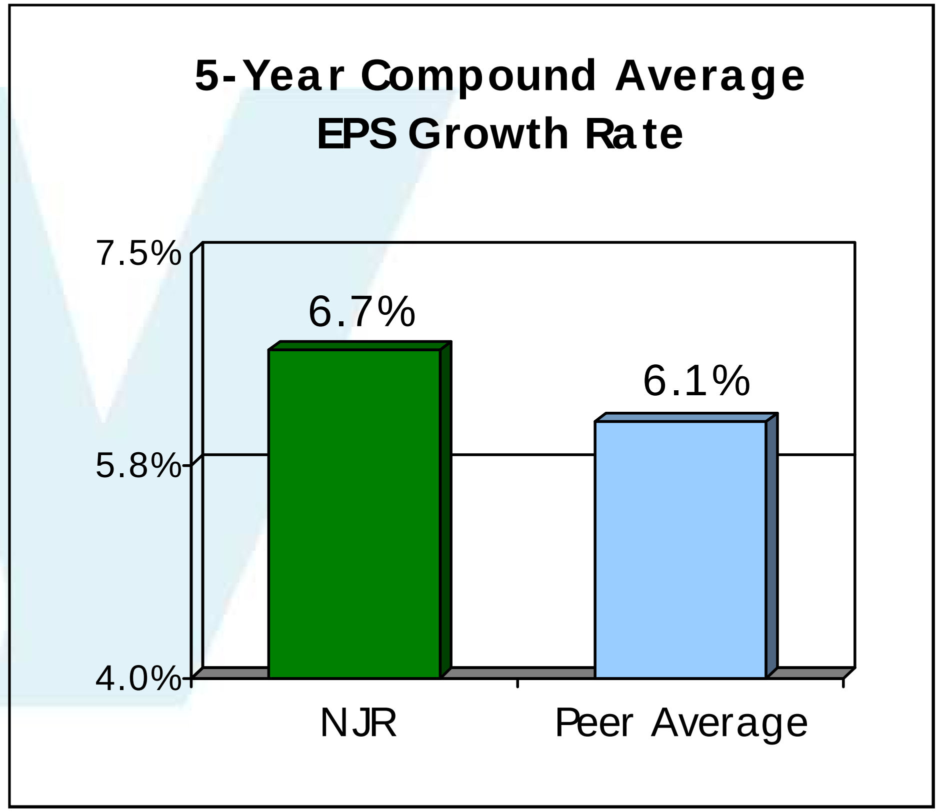
- 2009 Drivers:
  - Effect of new base rates
  - Steady customer growth
  - Incentive margins

NJR continues to estimate net financial earnings of $2.35 to $2.45 per basic share in fiscal 2009

** Based on midpoint of NFE guidance*

Comparative Forecasted Earnings Growth Rates

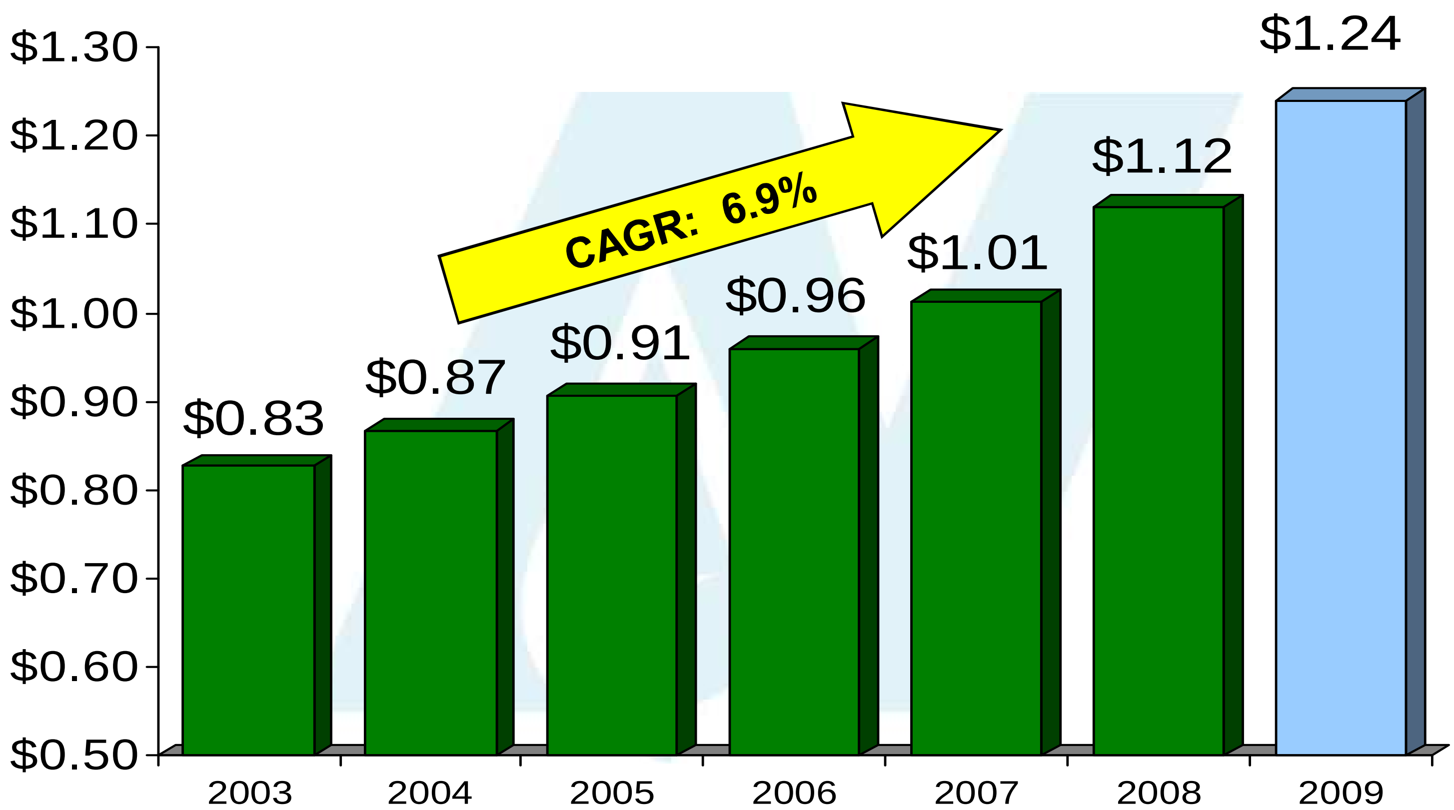




Peer average growth rate based on reported company earnings for fiscal years 2004, 2008 and consensus expectations for 2009

Conserve to Preserve®

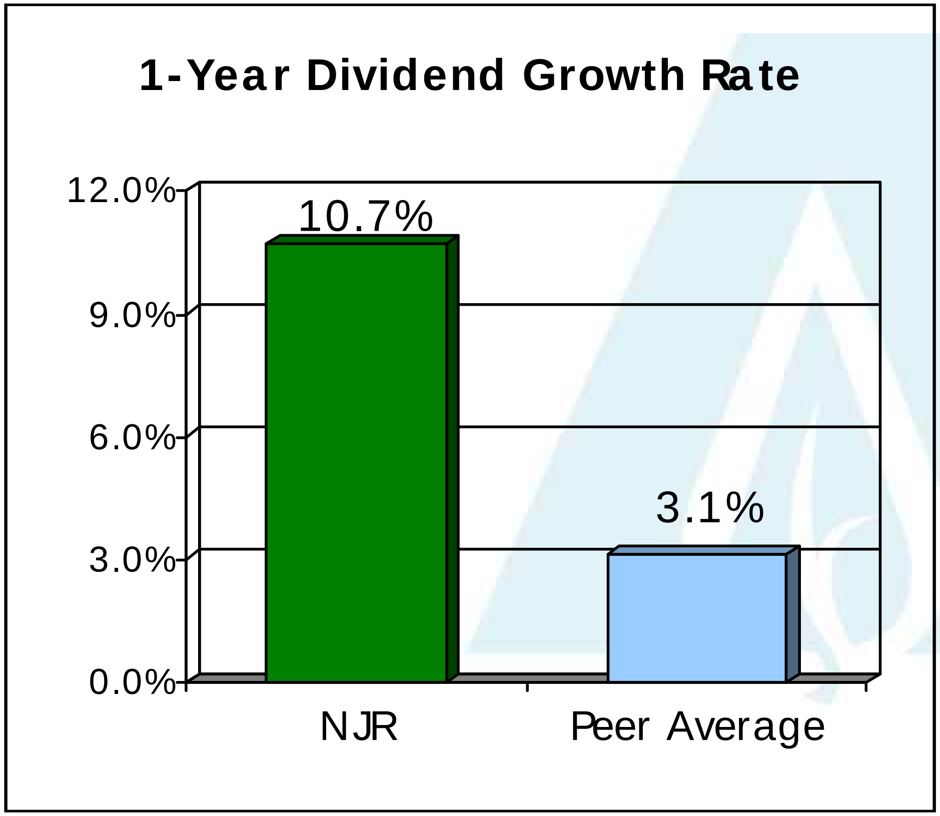
Dividend Growth

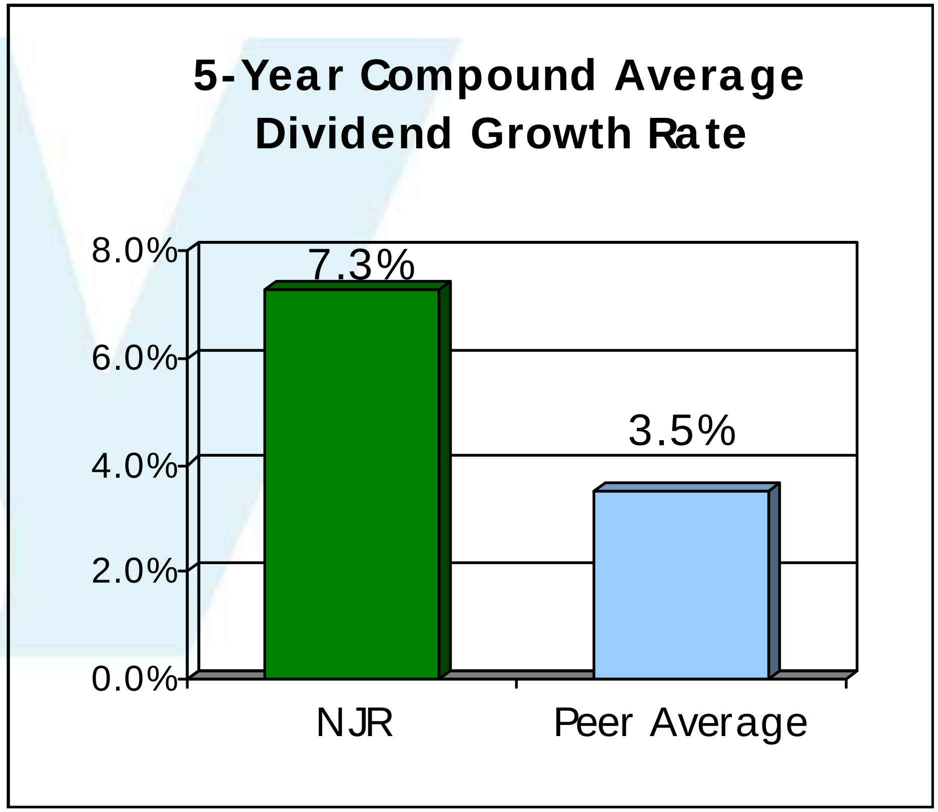


Second consecutive year of more than 10 percent dividend growth

Conserve to Preserve®

Comparative Dividend Growth Rates

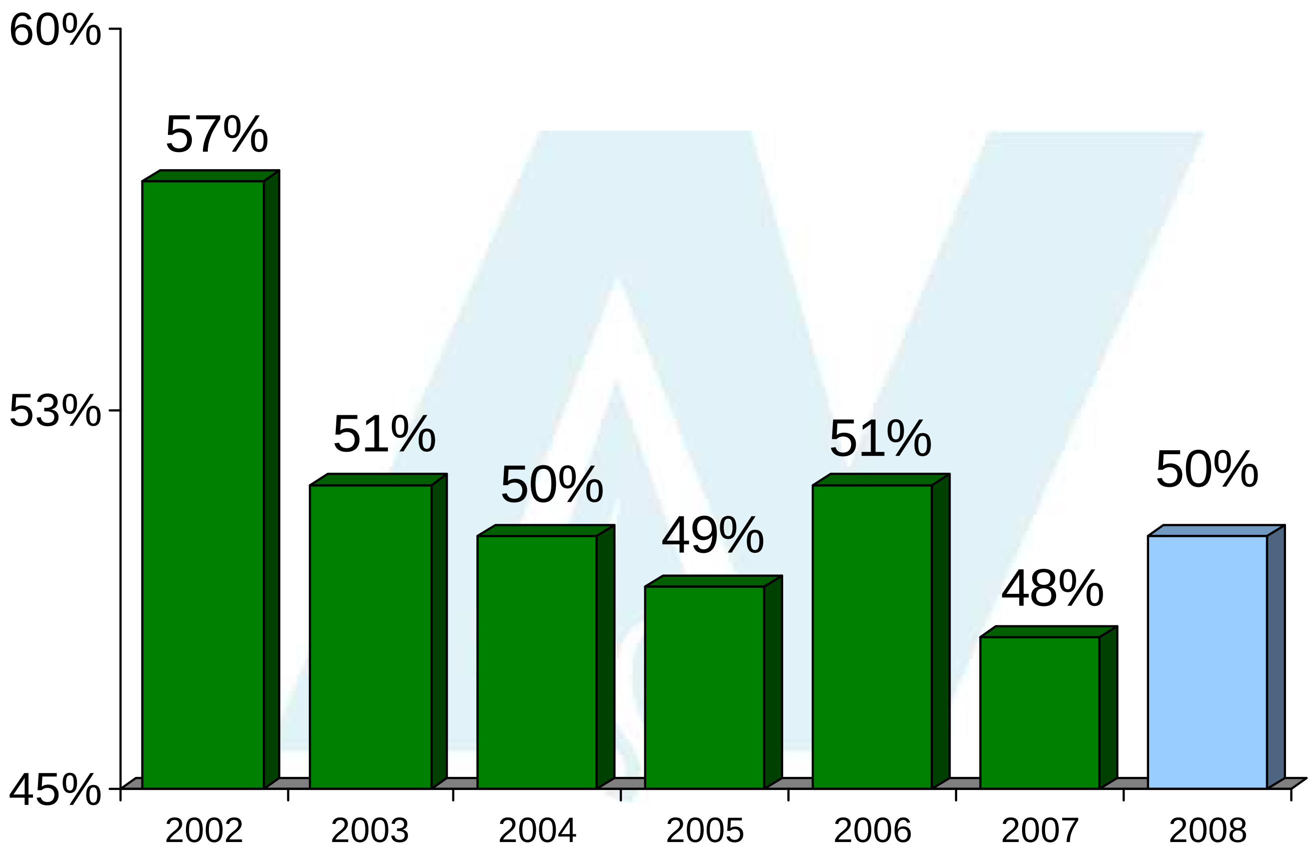




Growth rate based on indicated rates

Conserve to Preserve®

Payout Ratio



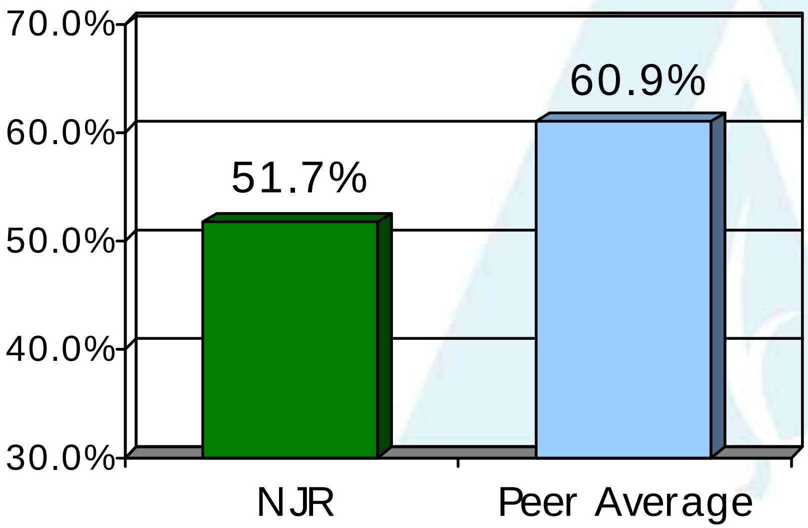
Relatively low payout ratio provides continued dividend growth opportunities

Based on Net Financial Earnings

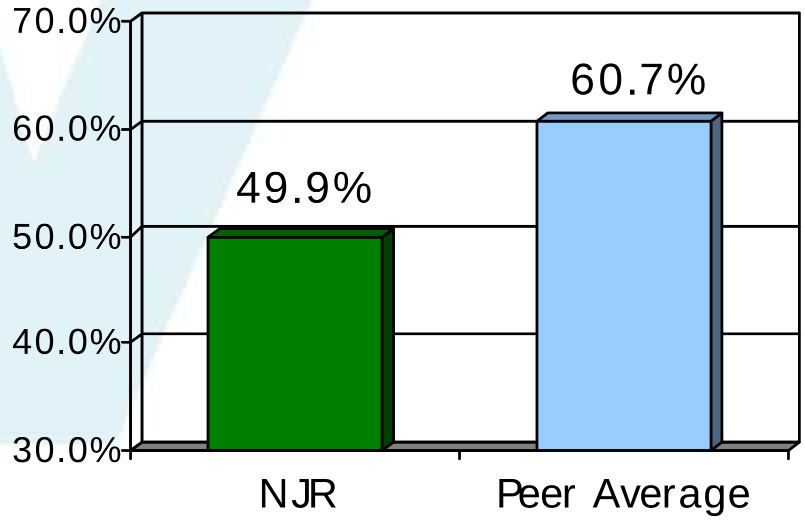
Conserve to Preserve®

Comparative Payout Ratios

Current Indicated Dividend Payout Ratio



5-Year Average Payout Ratio

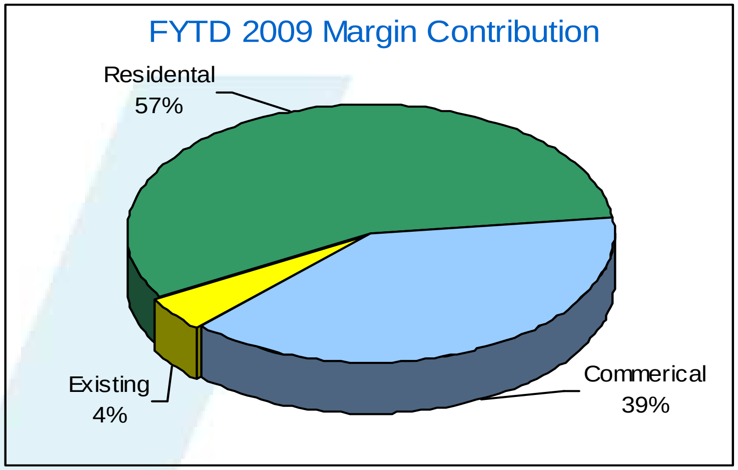


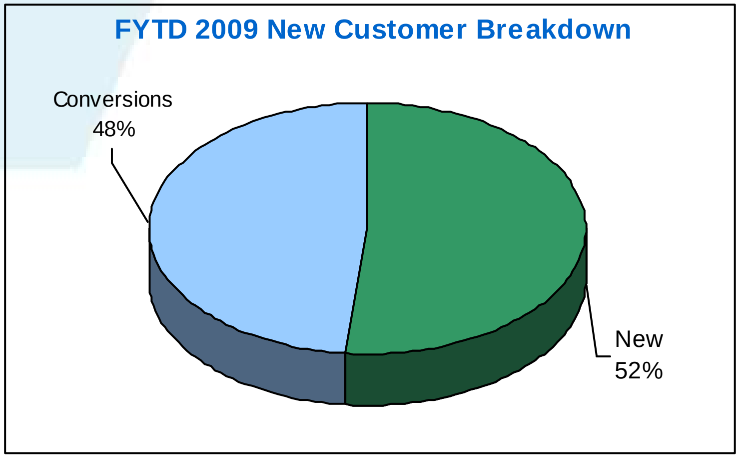
Peer average payout ratios based on indicated dividend rates and consensus earnings estimates for 2009 and actual dividend paid and reported earnings for 2004 through 2008.

Conserve to Preserve®

Steady Customer Growth

- Customer Growth
  - 6,100 new customers expected in fiscal 2009
  - 650 additional existing customer heat conversions
  - Fiscal 2009 new customers and existing customer conversions are forecasted to contribute approximately $3.6 million of new margin annually





Conserve to Preserve®

Accelerated Infrastructure Program (AIP)

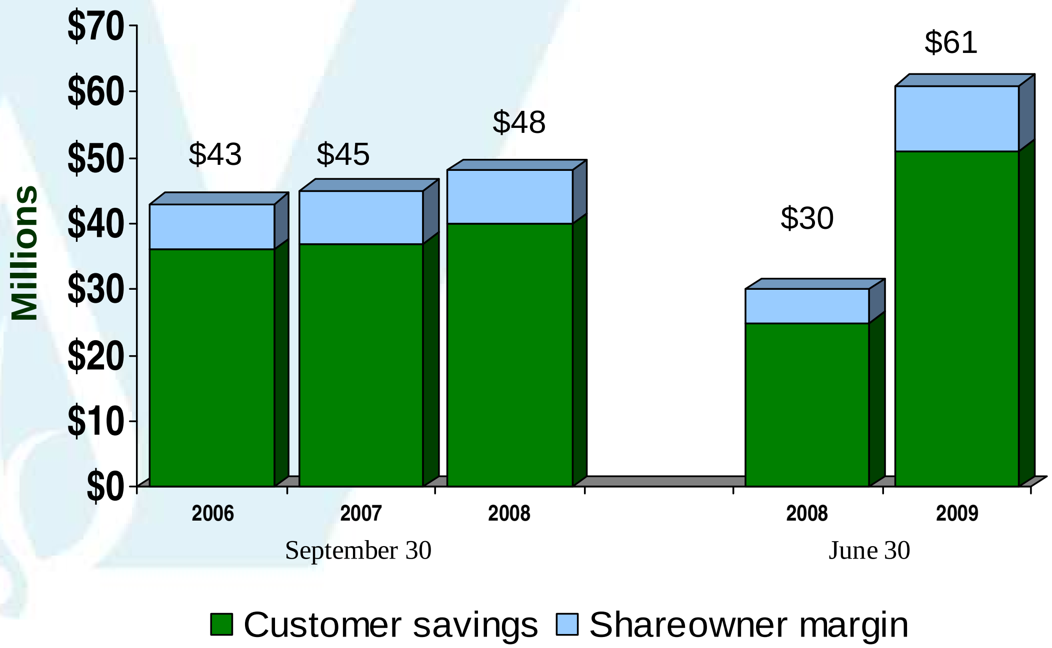
- Approved by BPU on April 16, 2009
- Investment of up to $70.8 million on infrastructure projects
  - $6 million in fiscal 2009
  - $44.2 million in fiscal 2010
  - $20.6 million in fiscal 2011
- Supports economic growth and job creation
- Rate recovery of program spending received annually at weighted average cost of capital (WACC)
- Will ensure the continued safe and reliable delivery of natural gas to our growing customer base and supports environmental goals

Energy Efficiency Program

- Approved by BPU on July 1, 2009
- $21.1 million program
- Promotes goals and policy direction of the New Jersey Energy Master Plan
- Allows NJNG to recover costs at WACC via rider within customer bills
- Assuming full participation, after-tax earnings impact will be approximately $1.2 million over a 4-year period

BGSS Incentives

- Off-system sales and capacity release
  - In place since 1992
  - Optimization of capacity contracts
  - Sharing formula of 85 percent customer; 15 percent NJNG
- Storage Incentive (SI)
  - In place since 2004
  - Promotes long-term price stability
  - Promotes cost efficiencies
  - Sharing formula of 80 percent customer; 20 percent NJNG
- Financial Risk Management (FRM)
  - In place since 1997
  - Promote application of risk management techniques
  - Sharing formula of 85 percent customer; 15 percent NJNG

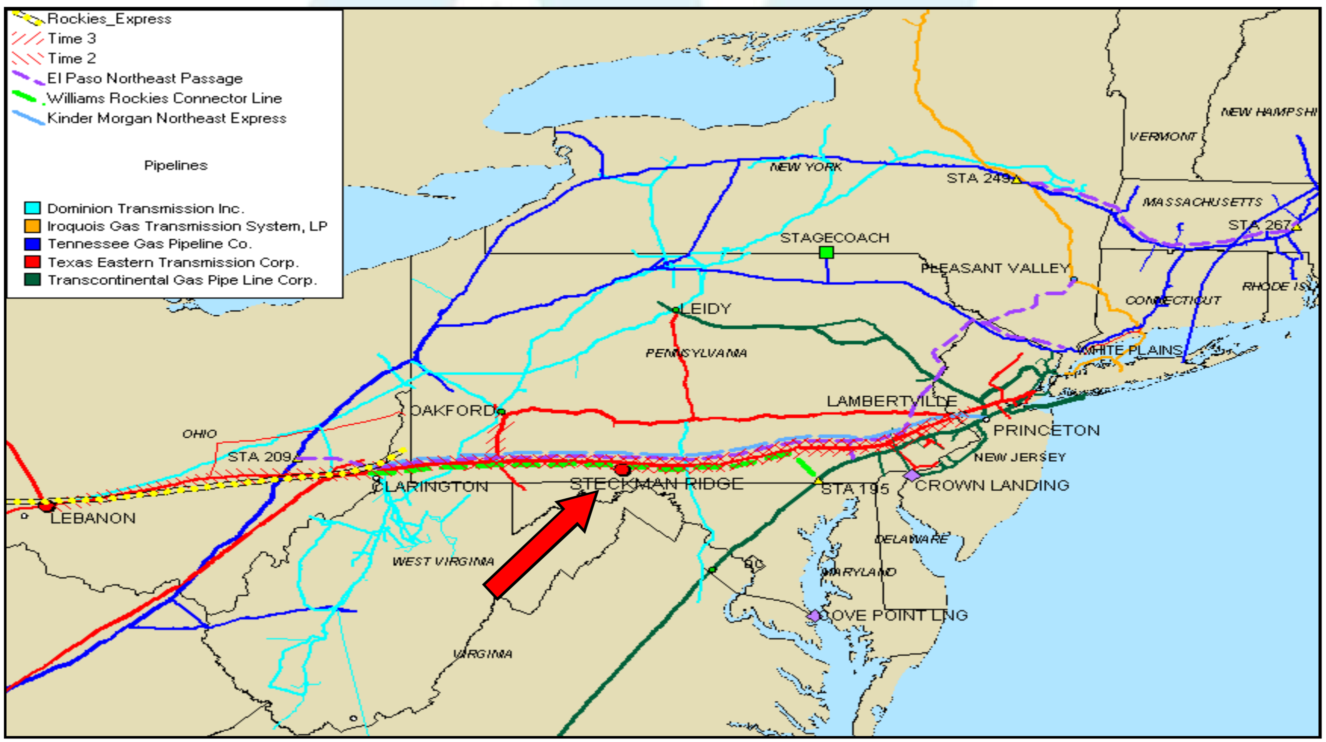


NJRES Update

- Fiscal 2009 forecasted to be NJRES' third best year of profitability
- Expected to contribute 30 to 35 percent of fiscal 2009 NFE
- Physical gas marketer
  - Peaking services
  - Balancing services
  - Asset management
- Approximately 25 billion cubic feet (Bcf) of storage capacity and 0.7 Bcf/day of transportation capacity
- Customers include:
  - Marketers
  - Local distribution companies
  - Independent power producers
  - Industrials
  - Gas producers
- Strictly natural gas operation – no electric exposure
- Strong creditworthy counterparties

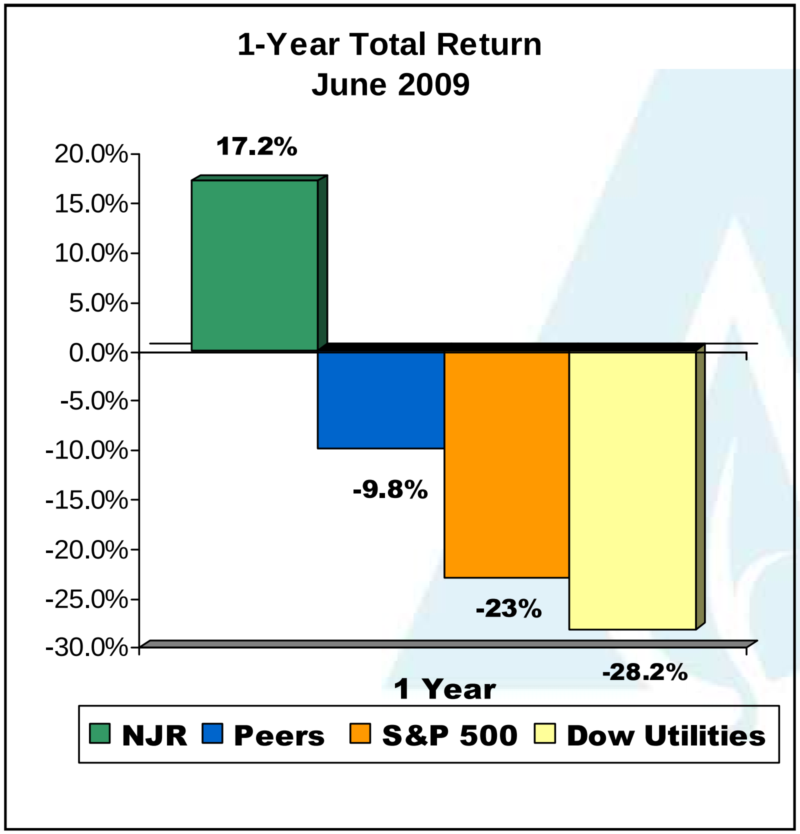
Steckman Ridge

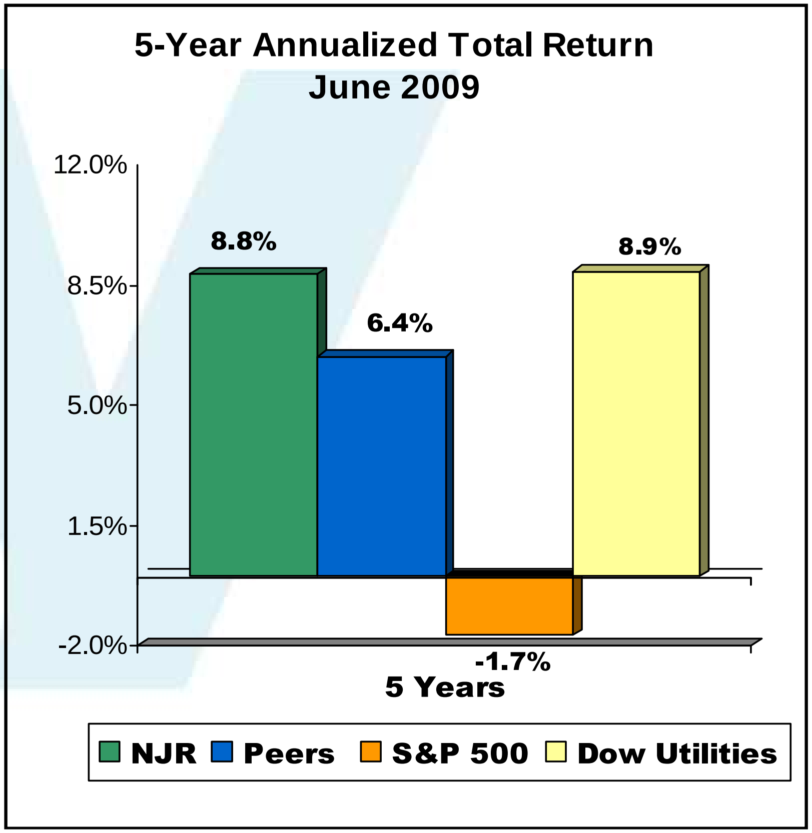
- Steckman Ridge
  - $120 million (of $132.5 million) invested as of June 30, 2009 in 50 percent joint venture with Spectra
  - Up to 12 Bcf storage facility in southwestern Pennsylvania
  - In operation; customers have begun to inject natural gas inventory for next season
  - Expected to add to earnings in fiscal 2010



Conserve to Preserve®

Total Return to Shareowners





Conserve to Preserve®

A Record of Consistent Performance

- The fundamentals are in place to increase NFE
  - Customer growth
  - AIP and EE
  - Steckman Ridge
- The ability to increase dividends
- A strong financial profile
- A collaborative relationship with regulators
- A track record of growth and consistent results

Conserve to Preserve®

Third Quarter Fiscal 2009 Update

July 29, 2009



Laurence M. Downes, Chairman and CEO